STATE OF WEST VIRGINIA OFFICE OF THE ATTORNEY GENERAL DARRELL V. MCGRAW, JR. CONSUMER PROTECTION DIVISION 1-800-368-8808 or 304-558-8986

Press Release

April 1, 2003

FOR IMMEDIATE RELEASE CONTACT: Chris Hedges 304-558-8986 1-800-368-8808

ATTORNEY GENERAL McGRAW SUES ELKINS MEMORIAL GARDENS.
THE LAWSUIT ALLEGES THAT THE CEMETERY TOOK CONSUMERS' MONEY
FOR BURIAL CRYPTS IN A NONEXISTENT MAUSOLEUM
AND STILL HASN'T DELIVERED THE MERCHANDISE

Attorney General Darrell V. McGraw, Jr. announced today that he has filed suit against an Elkins-area cemetery for selling preneed burial crypts in a non-existent mausoleum, then squandering consumers' money before the mausoleum could be built. The suit alleges that since 1996, Elkins Memorial Gardens, and its operators John and Okey Phares, appeared at consumers' homes offering steep discounts on burial crypts if consumers purchased their crypts early. Sales agents promised reluctant consumers that the mausoleum would be built right away, but the cemetery has yet to begin construction since it began selling the crypts over six years ago.

State law requires sellers of preneed burial crypts to set aside at least 40% of sales proceeds in a trust fund to safeguard consumers' funds until their crypts are needed. Since 1996, Elkins Memorial Gardens has reportedly collected tens of thousands of dollars for the crypts, but has used nearly all those funds for other, unknown purposes.

Some consumers who purchased the burial crypts are now deceased. In those situations, the defendants have refused to refund consumers' money and told relatives their only alternative was to entomb their loved ones in an unattractive concrete vault located on the cemetery grounds. This practice violates state laws requiring that cemeteries provide accommodations which are similar in size, style, and quality, any time substitutions become necessary.

Secretary of Tax and Revenue Brian Kastick and Tax Commissioner Rebecca Melton Craig have joined in the lawsuit. They allege that Elkins Memorial Gardens has failed to register to do business in West Virginia and has failed to report annually to the Tax Commissioner on the status of consumers' trust funds, as required by state law.

The lawsuit seeks to restrain the cemetery from engaging in further sales until it can do so in compliance with state law. McGraw is also asking for refunds for consumers, civil penalties for violating numerous state laws.

###